

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	
)	
Telecommunications Carriers Eligible for Universal Service Support)	WC Docket No. 09-197
)	
Liberty Cablevision of Puerto Rico LLC)	
)	
Petition for Designation as a Lifeline Broadband Provider)	
)	

**PETITION OF LIBERTY CABLEVISION OF PUERTO RICO LLC FOR
DESIGNATION AS A LIFELINE BROADBAND PROVIDER
ELIGIBLE TELECOMMUNICATIONS CARRIER**

I. INTRODUCTION

Liberty Cablevision of Puerto Rico LLC (“Liberty”), pursuant to Section 214(e)(6) of the Communications Act of 1934, as amended (“Act”),¹ and Sections 54.201 and 54.202 of the Commission’s rules,² by its undersigned counsel, respectfully submits this Petition for Designation as a Lifeline Broadband Provider Eligible Telecommunications Carrier (“LBP ETC”) for the sole purpose of qualifying for Lifeline support for the provision of broadband Internet access service (“BIAS”) in all zip codes in Puerto Rico except 00775 (Culbera), 00606 (Maricao), and 00765 (Vieques) (the “Designated Service Area”).³ Designation of Liberty as a LBP ETC will further the Commission’s overarching policy goals of “ensur[ing] the availability of broadband service for

¹ 47 U.S.C. § 214(e)(6).

² 47 C.F.R. §§ 54.201, 54.202.

³ See *Wireline Competition Bureau Provides Guidance Regarding Designation as a Lifeline Broadband Provider and Lifeline Broadband Minimum Service Standards*, WC Docket No 11-42 et al., Public Notice, DA 16-1118, ¶ 11 (WCB Sept. 30, 2016) (“LBP Public Notice”).

low-income Americans,”⁴ and “encourag[ing] market entry and increas[ing] competition among Lifeline providers.”⁵

Pursuant to the Commission’s *2016 Lifeline Modernization Order*,⁶ as discussed in more detail below, Liberty satisfies the requirements for designation as a LBP ETC and is able and prepared to offer Lifeline-supported BIAS service throughout the Designated Service Area. Liberty is a facilities-based cable, Internet, voice over Internet Protocol (“VoIP”) and telecommunication services provider in the Commonwealth of Puerto Rico. Accordingly, Liberty is prepared to offer fixed BIAS services to qualifying low-income households in the Designated Service Area upon designation as a LBP ETC by the Commission, and qualifies for expedited review and streamlined treatment of this petition under the *2016 Lifeline Modernization Order*.⁷ Grant of Liberty’s request will clearly promote the public interest and particularly the Commission’s primary goal for the newly reformed, BIAS-centric, Lifeline program by expanding “the availability of broadband service for low-income Americans.”⁸ This is a particularly worthy goal in Puerto Rico, where 45.4% of the population lives below the federal poverty threshold.⁹ Liberty will be one of the few facilities-based LBP ETCs designated by the Commission with its own broadband network, which will help to bring much needed facilities-based competition to the Lifeline program. In light of the foregoing, Liberty requests expedited review and approval of its application no later than 60-day deadline for streamlined applications, so that it may begin offering much needed Lifeline-supported broadband services to qualified consumers in Puerto Rico.

⁴ See *Lifeline and Link Up Reform and Modernization et al.*, Third Report and Order, Further Report and Order, and Order on Reconsideration, 31 FCC Rcd 3962, 3971, para. 29. (2016) (“*2016 Lifeline Modernization Order*”).

⁵ See *id.* at 4040, para. 217.

⁶ *Id.* at 4066 para. 282.

⁷ *Id.* at 4065, paras. 277-78.

⁸ See *id.* at 3971, para. 29.

⁹ See *id.* at 40351, para. 29.

II. OVERVIEW

Liberty is incorporated in the Commonwealth of Puerto Rico with principal offices located at 279 Ponce de León Ave., San Juan, Puerto Rico 00911. Currently, it is the largest cable operator in Puerto Rico, and it is a 60% owned subsidiary of Liberty Global, Inc. The company provides video, broadband internet, and digital (VoIP) telephony services primarily to residential customers on the Island. Its network includes a 360-mile fiber ring, which provides enhanced interconnectivity points to the Islands other local and international telecommunications companies. Liberty is also a socially responsible corporate citizen. It gives back to the community and supports many causes, mainly in the education, cultural, social, and health sectors. Liberty is an ideal candidate for LBP ETC designation under the Commission's streamlined designation process and is ready to transition into the provisioning of Lifeline BIAS.

III. LIBERTY MEETS THE REQUIREMENTS FOR LIFELINE BROADBAND PROVIDER ELIGIBLE TELECOMMUNICATIONS CARRIER DESIGNATION

As described below, Liberty satisfies all of the statutory and regulatory requirements for designation as a LBP ETC in the proposed Designated Service Area, and has provided a discussion of each requirement below.

A. The FCC Has Authority to Grant the Requested Designation

In the *2016 Lifeline Modernization Order*, the Commission created “a unified, streamlined FCC ETC designation process for providers seeking to receive reimbursement for providing BIAS.”¹⁰ The Commission further found that individual state designations for the LBP ETC designation “would thwart federal universal service goals and broadband competition,” and accordingly preempted such state designations.¹¹ Liberty seeks to provide BIAS service to

¹⁰ *Id.* at 4048, para. 239.

¹¹ *Id.* at 4044, para. 229.

consumers throughout the proposed Designated Service Area. Liberty has not been designated an ETC, and Liberty may seek designation as a LBP ETC for the Designated Service Area directly from the Commission.¹²

B. This Petition Qualifies for Streamlined Treatment

Under section 54.202(d) of the Commission’s revised Lifeline rules, a petition for LBP ETC designation qualifies for streamlined treatment if the provider: (1) serves at least 1,000 non-Lifeline customers with voice telephone service and/or BIAS at the time of the filing; and (2) has offered broadband services to the public for at least the two years preceding the filing, without interruption.¹³

Liberty meets the requirements for streamlined processing of its LBP ETC designation application. As described throughout this petition, Liberty provides fixed BIAS service to over 300,000 non-Lifeline subscribers with BIAS service parameters ranging from 1Mbps to 400 Mbps. Additionally, Liberty has offered broadband service to the citizens of Puerto Rico for over 10 years. Accordingly, Liberty meets the Commission’s criteria for receiving streamlined, 60-day “deemed granted” treatment of its LBP ETC application.¹⁴

C. Liberty Certifies That It Will Comply With the Service Requirements Applicable to Lifeline Support (47 C.F.R. § 54.202(a)(1))

In accordance with 47 C.F.R. § 54.202(a)(1)(i), Liberty certifies, as evidenced by the attached certification, that it will comply with all the service requirements, including all

¹² See *id.* at 4044-4063, paras. 229-273.

¹³ 47 C.F.R. § 54.202(d)(1). See LBP Public Notice.

¹⁴ See *id.*

applicable minimum service standards, applicable to Lifeline support under the Commission's revised rules.¹⁵

Liberty is designing a Lifeline program that is compliant with federal standards and guidelines and is committed to ensuring continuity of the program as its minimum service requirements evolve. As such, Liberty will provide compliant BIAS service to all qualified low income consumers throughout its proposed Designated Service Area, even as the minimum service standards for qualifying BIAS are updated annually.¹⁶

D. Liberty Will Remain Functional in Emergency Situations (47 C.F.R. § 54.202(a)(2))

In accordance with 47 C.F.R. § 54.202(a)(2), Liberty commits to remaining functional in emergency situations, and certifies that the network over which its BIAS service is provided is capable of remaining functional in such situations.¹⁷ Specifically, Liberty has the ability to remain functional in emergency situations, including a reasonable amount of back-up power (typically, 3-4 hours) to ensure functionality without an external power source, its ability to reroute traffic around damaged facilities and manage traffic spikes resulting from emergency situations.

E. Liberty Will Satisfy Applicable Consumer Protection and Service Quality Standards (47 C.F.R. § 54.202(a)(3))

Liberty commits to continuing compliance with all applicable service quality standards and consumer protection rules.¹⁸ Specifically, Liberty hereby commits that it will comply with all applicable state and federal consumer protection and service quality standards, that it understands its consumer protection obligations under the Communications Act and its implementing rules, including but not limited to any applicable rules regarding unjust or unreasonable practices,

¹⁵ 47 C.F.R. § 54.202(a)(1)(i)

¹⁶ See LBP Public Notice.

¹⁷ 47 C.F.R. § 54.202(a)(2); See LBP Public Notice.

¹⁸ 47 C.F.R. § 54.202(a)(3); See LBP Public Notice.

discrimination, and relevant enforcement provisions in the Act and the Commission's rules, and is prepared to comply with those obligations and any future amendments or additions thereto.¹⁹

F. Liberty Is Financially and Technically Capable of Providing Lifeline Service in Compliance with the Commission's Rules (47 C.F.R. § 54.202(a)(4))

Liberty is financially and technically qualified to provide Lifeline-supported BIAS service in compliance with the Commission's rules, including the program's new minimum service standards, throughout the entire designated service area.²⁰ The Company has been serving the Island for over fifteen years and provides services throughout Puerto Rico, with the exception of two off-shore municipalities (Vieques and Culebra) and one rural municipality (Maricao). Liberty owns and manages a network of 19 central offices (network hubs and headends) interconnected with over 3,000 miles of fiber and 8,900 miles coaxial cable and, as of September 30, 2016, Liberty's network passed 1,085,800 homes and served 789,200 revenue generating units (RGUs), consisting of 323,400 broadband Internet subscribers, 260,600 video subscribers and 205,200 fixed-line telephony subscribers. The company added 4,800 and 12,300 RGUs on an organic basis during the three and nine months ended September 30, 2016, respectively, as compared to 6,200 and 22,500 RGUs, respectively, added on an organic basis during the corresponding prior-year periods. The Company invests over \$20 million annually to expand and increase network capacity and over \$3 million annually in network repairs and maintenance.

Liberty had \$50.6 million of cash and cash equivalents as of September 30, 2016. In addition to existing cash and cash equivalents, the primary sources of liquidity are cash provided by operations and a line of credit. Liquidity is generally used to fund property and equipment additions and debt service requirements. Subject to the limitations included in various debt

¹⁹ See 47 U.S.C. §§ 201, 202, 206-209, 216-217, 222, 225, 251(a)(2), 255, 617, 619; 47 CFR §§ 1.80, 1.701-1.736, 6.3, 6.5, 6.9, 7.1, 7.5, 8.3, 8.5, 8.7, 8.9, 8.12-8.17, 14.20(c), 64.604-64.605.

²⁰ 47 C.F.R. § 54.202(a)(4).

instruments, it is expected that Liberty Global will continue to cause the Company to maintain its debt at current levels relative to its Segment Operating Cash Flow. As a result, Liberty expects to continue reporting significant levels of interest expense for the foreseeable future.

G. Terms and Conditions of Liberty Broadband Internet Access Service Plans (47 C.F.R. § 54.202(a)(6))

Upon designation as a LBP ETC, Liberty plans to offer the following BIAS service plans for its Lifeline subscribers in the proposed Designated Service Area:²¹

Speed	10 Mbps download, 1 Mbps upload
Usage Allowance	50 GB per month
Monthly Fee	\$45 (\$29.99 after application of the \$9.25 subsidy plus a \$5.76 company credit)
Additional Usage	\$10 per 10 GB per month

As noted above, the data usage allowance of 50 GBs is 100 times more data usage than what is required under the Commission’s highest minimum service standards found at Section 54.408(b) of its rules.²²

H. Liberty Will Advertise the Availability of the Supported Service and the Charges Therefor Through Media of General Distribution (47 U.S.C. § 214(e)(1)(B); 47 C.F.R. § 54.201(d)(2))

Liberty commits to advertise the availability and cost of its Lifeline BIAS service through media of general distribution.²³

²¹ 47 C.F.R. § 54.202(a)(6).

²² 47 C.F.R. § 54.408(b)(1)(ii).

²³ 47 U.S.C. § 214(e)(1)(B); 47 C.F.R. § 54.201(d)(2). As the *2016 Lifeline Modernization Order* explained, “media of general distribution” is any media reasonably calculated to reach the general public or, for a LBP, the specific audience that makes up the demographic for a particular service offering. For example, for a LBP partnering with a school to offer Lifeline-discounted BIAS to that school’s community, ‘media of general distribution’ may include flyers, newspaper advertisements, or local television advertisements in that school’s geographic area.”

Liberty will comply with the advertising, marketing, and disclosure requirements set forth in 47 C.F.R. § 54.405.²⁴ Specifically, all of Liberty's print and other materials used to describe or enroll its subscribers in the Lifeline service offering will indicate, using easily understood language (1) that Liberty's low-income targeted service is a Lifeline service; (2) that Lifeline is a government assistance program; (3) that the service is non-transferable; (4) that only eligible consumers may enroll in the program; and (5) that the program is limited to one discount per household.

I. Liberty Will Comply with All Applicable ETC Obligations (47 U.S.C. § 214(e); 47 C.F.R. §§ 54.201, 54.202)

To protect the integrity of the Lifeline program and guard against waste, fraud, and abuse, Liberty will comply with the Commission's additional ETC obligations outlined in sections 54.201 and 54.202 as well as those contained in subpart E of Part 54 of the rules,²⁵ specifically including the rules regarding subscriber eligibility verification, certification and recordkeeping, and auditing requirements. With regard to eligibility verification, Liberty will certify and recertify subscribers' eligibility for the Lifeline program, including verifying and confirming subscribers' eligibility, in full compliance with existing section 54.410 of the Commission's rules until the Commission's new National Verifier has been launched in the Designated Service Area. Once the National Verifier is launched in the Commonwealth of Puerto Rico, Liberty will enroll subscribers through the National Verifier pursuant to the new provisions of section 54.410 and in accordance with all enrollment guidance provided by the Commission or USAC.

²⁴ 47 C.F.R. § 54.405.

²⁵ 47 U.S.C. § 214(e); 47 C.F.R. §§ 54.201, 54.202, 54.400 *et seq.*

IV. GRANTING LIBERTY’S PETITION FOR DESIGNATION AS A LIFELINE BROADBAND PROVIDER ELIGIBLE TELECOMMUNICATIONS CARRIER WILL SERVE THE PUBLIC INTEREST

Section 54.202(b) of the Commission’s rules requires that before granting a petition for ETC designation, the Commission must find that grant of the designation would be in the public interest.²⁶ The Lifeline program serves to further the Act’s goals of achieving “[q]uality services” offered at “just, reasonable, and affordable rates” for low-income consumers.²⁷ In finding that broadband is a supported service for purposes of the Lifeline program, the Commission determined that by expanding “the availability of broadband service for low-income Americans,”²⁸ an ETC is inherently acting in the public interest. Designation of Liberty as a LBP ETC will serve the overall public interest, and will benefit low-income consumers in the Designated Service Area in by permitting a facilities-based provider already providing high quality broadband services in Puerto Rico, where the average poverty rate is 45.4 percent, to expand its offerings to Lifeline-qualified consumers who may not otherwise be able to afford broadband services.²⁹

V. ANTI-DRUG ABUSE CERTIFICATION

Liberty certifies that no party to this Petition is subject to a denial of federal benefits that includes Commission benefits pursuant to Section 5301 of the anti-Drug Abuse Act of 1988, 21 U.S.C. § 862.

VI. CONCLUSION

Liberty certifies that its Petition for LBP ETC Designation fully satisfies the conditions set forth in the Communications Act, the Commission’s rules pertaining to Lifeline, and the 2016

²⁶ 47 C.F.R. § 54.202(b).

²⁷ 47 U.S.C. § 254(b)(1).

²⁸ See *Lifeline and Link Up Reform and Modernization et al.*, WC Docket Nos. 12-23, 11-42, 03-109, CC Docket No. 96-45, Report and Order and Further Notice of Proposed Rulemaking, 27 FCC Rcd 6656, 6673-74, paras. 33-34 (2012) (“2012 Lifeline Reform Order”).

²⁹ 2016 *Lifeline Modernization Order* at n.545.

Lifeline Modernization Order. Accordingly, Liberty respectfully requests expeditious approval of its LBP ETC Designation Petition (at the very latest, within the 60-day deadline for streamlined processing) so that Liberty may provide BIAS service to eligible low-income consumers in the Designated Service Area.

Respectfully submitted,

LIBERTY CABLEVISION OF PUERTO RICO LLC



By _____
Danielle Frappier
Christopher A. Cook
DAVIS WRIGHT TREMAINE LLP
1919 Pennsylvania Avenue, NW
Suite 800
Washington, DC 20006-3401

Its Attorneys

December 7, 2016

CERTIFICATION OF LIBERTY CABLEVISION OF PUERTO RICO LLC

I, John F. Conrad, state that I am the General Counsel of Liberty Cablevision of Puerto Rico LLC ("Petitioner"); that I am authorized to make this certification on behalf of Petitioner; that the foregoing filing was prepared under my direction and supervision; and that the statements made in the foregoing filing with respect to Petitioner are true and correct to the best of my knowledge, information, and belief.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 7 day of December, 2016.



John F. Conrad
Liberty Cablevision of Puerto Rico LLC